# Friends of Animals, Inc.

## Index

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<td>23</td>
</tr>
</tbody>
</table>
Independent Auditor's Report

To the Board of Directors
Friends of Animals, Inc.

We have audited the accompanying financial statements of Friends of Animals, Inc. (a nonprofit organization), which comprise the statements of financial position as of April 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Animals, Inc. as of April 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses for program services - public information and animal protection costs is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Restatements

As further discussed in Note 14, the financial statements of Friends of Animals, Inc. as of and for the year ended April 30, 2018 have been restated to correct the vested interest in trust for a trust that was improperly excluded. Our opinion is not modified with respect to this matter.

CohnReznick LLP

Hartford, Connecticut
September 10, 2019
Friends of Animals, Inc.

Statements of Financial Position
April 30, 2019 and 2018

Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 68,454</td>
<td>$ 8,378</td>
</tr>
<tr>
<td>Investments</td>
<td>1,622,140</td>
<td>2,429,953</td>
</tr>
<tr>
<td>Bequests receivable, net</td>
<td>614,635</td>
<td>579,664</td>
</tr>
<tr>
<td>Contributions and grants receivable, net</td>
<td>106,919</td>
<td>11,888</td>
</tr>
<tr>
<td>Merchandise inventory, net</td>
<td>10,307</td>
<td>19,777</td>
</tr>
<tr>
<td>Other current assets</td>
<td>66,084</td>
<td>28,822</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,488,539</td>
<td>3,078,482</td>
</tr>
<tr>
<td>Property and equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment and other</td>
<td>431,344</td>
<td>375,645</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(321,961)</td>
<td>(279,843)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>109,383</td>
<td>95,802</td>
</tr>
<tr>
<td>Other assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vested interest in trusts</td>
<td>3,564,388</td>
<td>3,331,102</td>
</tr>
<tr>
<td>Deposits</td>
<td>14,556</td>
<td>26,332</td>
</tr>
<tr>
<td>Cash surrender value of officer life insurance</td>
<td>198,181</td>
<td>180,304</td>
</tr>
<tr>
<td>Total other assets</td>
<td>3,777,125</td>
<td>3,537,738</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 6,375,047</td>
<td>$ 6,712,022</td>
</tr>
</tbody>
</table>

Liabilities and Net Assets

Current liabilities
<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ 24,044</td>
<td>$ 4,267</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>108,590</td>
<td>92,194</td>
</tr>
<tr>
<td>Liability for unredeemed spay and neuter vouchers</td>
<td>482,039</td>
<td>475,086</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>614,673</td>
<td>571,547</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>614,673</td>
<td>571,547</td>
</tr>
</tbody>
</table>

Commitments and contingencies

Net assets
<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restriction</td>
<td>1,774,989</td>
<td>2,732,508</td>
</tr>
<tr>
<td>With donor restriction - time/purpose</td>
<td>420,997</td>
<td>76,865</td>
</tr>
<tr>
<td>With donor restriction - in perpetuity</td>
<td>3,564,388</td>
<td>3,331,102</td>
</tr>
<tr>
<td>Total net assets</td>
<td>5,760,374</td>
<td>6,140,475</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$ 6,375,047</td>
<td>$ 6,712,022</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
## Friends of Animals, Inc.

**Statement of Activities**  
**Year Ended April 30, 2019**  
*(With Comparative Totals for 2018)*

<table>
<thead>
<tr>
<th>Without donor restriction</th>
<th>With donor restriction</th>
<th>Total</th>
<th>2019</th>
<th>2018 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$639,179</td>
<td>$582,652</td>
<td>$139,992</td>
<td>$1,361,823</td>
</tr>
<tr>
<td>Bequests</td>
<td>1,653,326</td>
<td>-</td>
<td>-</td>
<td>1,653,326</td>
</tr>
<tr>
<td><strong>Total support</strong></td>
<td>2,292,505</td>
<td>582,652</td>
<td>139,992</td>
<td>3,015,149</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spay and neuter vouchers issued, net</td>
<td>1,496,021</td>
<td>-</td>
<td>-</td>
<td>1,496,021</td>
</tr>
<tr>
<td>Change in value of trusts</td>
<td>-</td>
<td>-</td>
<td>93,294</td>
<td>93,294</td>
</tr>
<tr>
<td>Merchandise and literature sales</td>
<td>6,710</td>
<td>-</td>
<td>-</td>
<td>6,710</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>177,201</td>
<td>-</td>
<td>-</td>
<td>177,201</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,679,932</td>
<td>-</td>
<td>93,294</td>
<td>1,773,226</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>238,520</td>
<td>(238,520)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td>4,210,957</td>
<td>344,132</td>
<td>233,286</td>
<td>4,788,375</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spaying and neutering costs</td>
<td>1,799,435</td>
<td>-</td>
<td>-</td>
<td>1,799,435</td>
</tr>
<tr>
<td>Public information and animal protection costs</td>
<td>3,010,506</td>
<td>-</td>
<td>-</td>
<td>3,010,506</td>
</tr>
<tr>
<td>Administrative</td>
<td>299,281</td>
<td>-</td>
<td>-</td>
<td>299,281</td>
</tr>
<tr>
<td>Fundraising</td>
<td>114,934</td>
<td>-</td>
<td>-</td>
<td>114,934</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>5,224,156</td>
<td>-</td>
<td>-</td>
<td>5,224,156</td>
</tr>
<tr>
<td><strong>Investment income, net</strong></td>
<td>55,680</td>
<td>-</td>
<td>-</td>
<td>55,680</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>(957,519)</td>
<td>344,132</td>
<td>233,286</td>
<td>(380,101)</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year, as originally reported</strong></td>
<td>2,732,508</td>
<td>76,865</td>
<td>3,331,102</td>
<td>6,140,475</td>
</tr>
<tr>
<td><strong>Prior period adjustment (Note 13)</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year, as restated</strong></td>
<td>2,732,508</td>
<td>76,865</td>
<td>3,331,102</td>
<td>6,140,475</td>
</tr>
<tr>
<td><strong>Net assets, end</strong></td>
<td>$1,774,989</td>
<td>$420,997</td>
<td>$3,564,388</td>
<td>$5,760,374</td>
</tr>
</tbody>
</table>
Friends of Animals, Inc.

Statement of Activities
Year Ended April 30, 2018

<table>
<thead>
<tr>
<th>With donor restriction</th>
<th>Without donor restriction</th>
<th>Time/purpose</th>
<th>In perpetuity (as restated)</th>
<th>2018 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$823,951</td>
<td>$53,756</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Bequests</td>
<td>$1,156,999</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support</strong></td>
<td>$1,980,950</td>
<td>53,756</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>$1,569,706</td>
<td>(754)</td>
<td>235,575</td>
<td>1,804,527</td>
</tr>
<tr>
<td>Spay and neuter vouchers issued, net</td>
<td>$1,511,829</td>
<td>-</td>
<td>-</td>
<td>1,511,829</td>
</tr>
<tr>
<td>Change in value of trusts</td>
<td>-</td>
<td>(754)</td>
<td>235,575</td>
<td>234,821</td>
</tr>
<tr>
<td>Merchandise and literature sales</td>
<td>10,303</td>
<td>-</td>
<td>-</td>
<td>10,303</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>47,574</td>
<td>-</td>
<td>-</td>
<td>47,574</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,569,706</td>
<td>(754)</td>
<td>235,575</td>
<td>1,804,527</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td>$181,252</td>
<td>(181,252)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td>3,910,210</td>
<td>(306,552)</td>
<td>235,575</td>
<td>3,839,233</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>$5,200,452</td>
<td>-</td>
<td>-</td>
<td>5,200,452</td>
</tr>
<tr>
<td>Spaying and neutering costs</td>
<td>1,906,857</td>
<td>-</td>
<td>-</td>
<td>1,906,857</td>
</tr>
<tr>
<td>Public information and animal protection costs</td>
<td>2,894,048</td>
<td>-</td>
<td>-</td>
<td>2,894,048</td>
</tr>
<tr>
<td>Administrative</td>
<td>234,286</td>
<td>-</td>
<td>-</td>
<td>234,286</td>
</tr>
<tr>
<td>Fundraising</td>
<td>165,261</td>
<td>-</td>
<td>-</td>
<td>165,261</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>5,200,452</td>
<td>-</td>
<td>-</td>
<td>5,200,452</td>
</tr>
<tr>
<td><strong>Investment income, net</strong></td>
<td>148,859</td>
<td>-</td>
<td>-</td>
<td>148,859</td>
</tr>
<tr>
<td><strong>Change in net assets</strong></td>
<td>(1,141,383)</td>
<td>(306,552)</td>
<td>235,575</td>
<td>(1,212,360)</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year, as originally reported</strong></td>
<td>3,873,891</td>
<td>383,417</td>
<td>2,666,291</td>
<td>6,923,599</td>
</tr>
<tr>
<td>Prior period adjustment (Note 13)</td>
<td>-</td>
<td>-</td>
<td>429,236</td>
<td>429,236</td>
</tr>
<tr>
<td><strong>Net assets, beginning of year, as restated</strong></td>
<td>3,873,891</td>
<td>383,417</td>
<td>3,095,527</td>
<td>7,352,835</td>
</tr>
<tr>
<td><strong>Net assets, end</strong></td>
<td>$2,732,508</td>
<td>$76,865</td>
<td>$3,331,102</td>
<td>$6,140,475</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
## Statement of Functional Expenses
### Year Ended April 30, 2019

<table>
<thead>
<tr>
<th>Spaying and neutering costs</th>
<th>Public information and animal protection costs</th>
<th>Total program services</th>
<th>Administrative expenses</th>
<th>Fundraising expenses</th>
<th>Total support services</th>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$ 246,360</td>
<td>$ 1,212,057</td>
<td>$ 1,458,417</td>
<td>$ 92,642</td>
<td>$ 12,081</td>
<td>$ 1,563,140</td>
</tr>
<tr>
<td>Veterinarians</td>
<td>1,233,411</td>
<td>-</td>
<td>1,233,411</td>
<td>-</td>
<td>-</td>
<td>1,233,411</td>
</tr>
<tr>
<td>Primarily Primates, Inc. project</td>
<td>-</td>
<td>764,707</td>
<td>764,707</td>
<td>-</td>
<td>-</td>
<td>764,707</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>36,922</td>
<td>198,601</td>
<td>235,523</td>
<td>8,693</td>
<td>1,227</td>
<td>9,920</td>
</tr>
<tr>
<td>Insurance</td>
<td>54,367</td>
<td>211,176</td>
<td>265,543</td>
<td>9,033</td>
<td>2,128</td>
<td>11,161</td>
</tr>
<tr>
<td>Printing and mailing lists</td>
<td>9,358</td>
<td>78,410</td>
<td>87,768</td>
<td>957</td>
<td>37,091</td>
<td>38,048</td>
</tr>
<tr>
<td>Advertising</td>
<td>39,837</td>
<td>77,442</td>
<td>117,279</td>
<td>-</td>
<td>-</td>
<td>117,279</td>
</tr>
<tr>
<td>Payroll and other taxes</td>
<td>19,984</td>
<td>92,597</td>
<td>112,581</td>
<td>-</td>
<td>-</td>
<td>121,376</td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>11,876</td>
<td>61,313</td>
<td>73,189</td>
<td>4,916</td>
<td>13,272</td>
<td>18,188</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>52,193</td>
<td>759</td>
<td>52,952</td>
<td>3,267</td>
<td>1,227</td>
<td>4,521</td>
</tr>
<tr>
<td>Computer supplies</td>
<td>43,125</td>
<td>9,435</td>
<td>52,560</td>
<td>33,702</td>
<td>69,996</td>
<td>113,524</td>
</tr>
<tr>
<td>African projects cost</td>
<td>-</td>
<td>69,996</td>
<td>69,996</td>
<td>-</td>
<td>-</td>
<td>69,996</td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
<td>46,390</td>
<td>46,390</td>
<td>355</td>
<td>355</td>
<td>46,745</td>
</tr>
<tr>
<td>Professional services</td>
<td>21,519</td>
<td>49,790</td>
<td>71,309</td>
<td>20,269</td>
<td>-</td>
<td>20,269</td>
</tr>
<tr>
<td>Depreciation</td>
<td>7,544</td>
<td>32,479</td>
<td>40,023</td>
<td>1,676</td>
<td>419</td>
<td>2,095</td>
</tr>
<tr>
<td>Registrations and fees</td>
<td>721</td>
<td>10,871</td>
<td>11,592</td>
<td>12,486</td>
<td>14,856</td>
<td>26,622</td>
</tr>
<tr>
<td>Incentive program material costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,856</td>
<td>14,856</td>
</tr>
<tr>
<td>Lobbying</td>
<td>-</td>
<td>26,564</td>
<td>26,564</td>
<td>-</td>
<td>-</td>
<td>26,564</td>
</tr>
<tr>
<td>Telephone</td>
<td>5,933</td>
<td>15,856</td>
<td>21,789</td>
<td>593</td>
<td>990</td>
<td>1,583</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>-</td>
<td>98,050</td>
<td>-</td>
<td>98,050</td>
<td>98,050</td>
</tr>
<tr>
<td>Office equipment rental</td>
<td>4,996</td>
<td>12,083</td>
<td>17,079</td>
<td>930</td>
<td>161</td>
<td>1,091</td>
</tr>
<tr>
<td>Events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>147</td>
<td>16,359</td>
<td>16,506</td>
<td>35</td>
<td>-</td>
<td>35</td>
</tr>
<tr>
<td>Office supplies and expense</td>
<td>333</td>
<td>6,888</td>
<td>7,201</td>
<td>888</td>
<td>26</td>
<td>914</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2,347</td>
<td>4,867</td>
<td>7,214</td>
<td>549</td>
<td>78</td>
<td>627</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>105</td>
<td>105</td>
<td>1,596</td>
<td>-</td>
<td>1,596</td>
</tr>
<tr>
<td>Data processing</td>
<td>962</td>
<td>4,012</td>
<td>4,974</td>
<td>289</td>
<td>192</td>
<td>481</td>
</tr>
<tr>
<td>Wild horse project</td>
<td>-</td>
<td>7,755</td>
<td>7,755</td>
<td>-</td>
<td>-</td>
<td>7,755</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>7,500</td>
<td>-</td>
<td>7,500</td>
<td>-</td>
<td>-</td>
<td>7,500</td>
</tr>
<tr>
<td>Automobile expense</td>
<td>-</td>
<td>14</td>
<td>14</td>
<td>913</td>
<td>-</td>
<td>913</td>
</tr>
</tbody>
</table>

$ 1,799,435 $ 3,010,506 $ 4,809,941 $ 299,281 $ 114,934 $ 414,215 $ 5,224,156
## Statement of Functional Expenses

**Year Ended April 30, 2018**

<table>
<thead>
<tr>
<th>Public information and animal protection costs</th>
<th>Total program services</th>
<th>Administrative expenses</th>
<th>Fundraising expenses</th>
<th>Total support services</th>
<th>Total expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spaying and neutering costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterinarians</td>
<td>$ 1,315,966</td>
<td>$ 1,315,966</td>
<td>$ 93,319</td>
<td>$ 18,797</td>
<td>$ 112,116</td>
</tr>
<tr>
<td>Salaries</td>
<td>287,842</td>
<td>1,002,795</td>
<td>114,104</td>
<td>1,248</td>
<td>38,718</td>
</tr>
<tr>
<td>Primarily Primates, Inc. project</td>
<td>-</td>
<td>846,748</td>
<td>-</td>
<td>7,682</td>
<td>1,919</td>
</tr>
<tr>
<td>Advertising</td>
<td>46,830</td>
<td>143,358</td>
<td>-</td>
<td>1,498</td>
<td>9,180</td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>31,213</td>
<td>26,448</td>
<td>6,221</td>
<td>1,248</td>
<td>4,472</td>
</tr>
<tr>
<td>Insurance</td>
<td>56,364</td>
<td>224,475</td>
<td>20,305</td>
<td>3,121</td>
<td>6,992</td>
</tr>
<tr>
<td>Printing and mailing lists</td>
<td>10,008</td>
<td>140,286</td>
<td>20,305</td>
<td>1,248</td>
<td>6,992</td>
</tr>
<tr>
<td>Payroll and other taxes</td>
<td>21,533</td>
<td>104,671</td>
<td>6,221</td>
<td>1,248</td>
<td>4,472</td>
</tr>
<tr>
<td>Professional services</td>
<td>20,125</td>
<td>33,352</td>
<td>6,221</td>
<td>1,248</td>
<td>4,472</td>
</tr>
<tr>
<td>Bank service charges</td>
<td>58,062</td>
<td>59,403</td>
<td>6,221</td>
<td>1,248</td>
<td>4,472</td>
</tr>
<tr>
<td>Travel</td>
<td>1,929</td>
<td>62,413</td>
<td>5,843</td>
<td>4,472</td>
<td>4,472</td>
</tr>
<tr>
<td>African projects cost</td>
<td>-</td>
<td>69,996</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computer supplies</td>
<td>27,989</td>
<td>38,097</td>
<td>23,431</td>
<td>44,677</td>
<td>82,774</td>
</tr>
<tr>
<td>Depreciation</td>
<td>270</td>
<td>40,803</td>
<td>27</td>
<td>3,726</td>
<td>44,529</td>
</tr>
<tr>
<td>Registrations and fees</td>
<td>551</td>
<td>17,412</td>
<td>-</td>
<td>12,972</td>
<td>30,384</td>
</tr>
<tr>
<td>Lobbying</td>
<td>-</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
<td>25,000</td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>-</td>
<td>21,093</td>
<td>-</td>
<td>21,093</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>6,147</td>
<td>17,793</td>
<td>-</td>
<td>-</td>
<td>613</td>
</tr>
<tr>
<td>Office equipment rental</td>
<td>4,736</td>
<td>16,160</td>
<td>441</td>
<td>-</td>
<td>1,477</td>
</tr>
<tr>
<td>Wild horse project</td>
<td>-</td>
<td>3,818</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Incentive program material costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2,160</td>
<td>4,108</td>
<td>1,772</td>
<td>1,941</td>
<td>8,020</td>
</tr>
<tr>
<td>Office supplies and expense</td>
<td>368</td>
<td>10,468</td>
<td>43</td>
<td>1,107</td>
<td>11,675</td>
</tr>
<tr>
<td>Data processing</td>
<td>942</td>
<td>5,316</td>
<td>202</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Awards and grants</td>
<td>2,500</td>
<td>2,665</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Events</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Automobile expense</td>
<td>-</td>
<td>-</td>
<td>187</td>
<td>-</td>
<td>187</td>
</tr>
</tbody>
</table>

| Total expenses                               | $ 1,906,857            | $ 2,894,048            | $ 4,800,905         | $ 234,286              | $ 399,547      |

See Notes to Financial Statements.
Friends of Animals, Inc.

Statements of Cash Flows
Years Ended April 30, 2019 and 2018

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(380,101)</td>
<td>$(1,212,360)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cash used in operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debt expense</td>
<td>98,050</td>
<td>21,093</td>
</tr>
<tr>
<td>Depreciation</td>
<td>42,118</td>
<td>44,529</td>
</tr>
<tr>
<td>Unrealized and realized gain on investments</td>
<td>(33,301)</td>
<td>(142,280)</td>
</tr>
<tr>
<td>Change in value of trusts</td>
<td>(233,286)</td>
<td>(234,821)</td>
</tr>
<tr>
<td>Final distribution on charitable remainder trusts</td>
<td>-</td>
<td>178,302</td>
</tr>
<tr>
<td>Increase in cash surrender value of officer life</td>
<td>(17,877)</td>
<td>(17,878)</td>
</tr>
<tr>
<td>insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bequests receivable</td>
<td>(133,021)</td>
<td>(176,825)</td>
</tr>
<tr>
<td>Contributions and grants receivable</td>
<td>(95,031)</td>
<td>121,890</td>
</tr>
<tr>
<td>Merchandise inventory</td>
<td>9,470</td>
<td>21,806</td>
</tr>
<tr>
<td>Other current assets and deposits</td>
<td>(25,486)</td>
<td>(3,284)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>19,777</td>
<td>(45,191)</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>16,396</td>
<td>12,581</td>
</tr>
<tr>
<td>Liability for unredeemed spay and neuter vouchers</td>
<td>6,953</td>
<td>34,932</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(725,339)</td>
<td>(1,397,506)</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(55,699)</td>
<td>(20,540)</td>
</tr>
<tr>
<td>Proceeds from sales of investments</td>
<td>1,773,000</td>
<td>1,950,000</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(931,886)</td>
<td>(670,748)</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>785,415</td>
<td>1,258,712</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayments of capital lease obligation</td>
<td>-</td>
<td>(261)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>60,076</td>
<td>(139,055)</td>
</tr>
<tr>
<td>Cash, beginning</td>
<td>8,378</td>
<td>147,433</td>
</tr>
<tr>
<td>Cash, end</td>
<td>$68,454</td>
<td>$8,378</td>
</tr>
<tr>
<td>Supplemental disclosures of noncash investing and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financing transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of capital lease property and equipment</td>
<td>$ -</td>
<td>$3,663</td>
</tr>
<tr>
<td>Less reduction of remaining capital lease obligation</td>
<td>-</td>
<td>(3,663)</td>
</tr>
<tr>
<td>Net cash paid</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Note 1 - Organization and summary of significant accounting policies

Nature of activities
Friends of Animals, Inc. ("FoA" or the "Organization"), a not-for-profit organization, is incorporated in the State of New York. FoA has offices in Darien, Connecticut; New York, New York; Centennial, Colorado; and Asheville, North Carolina.

FoA advocates for the rights of animals, free-living and domestic, around the world. Its goal is to free animals from cruelty and institutionalized exploitation. Through its various animal advocacy programs and interventions, FoA promotes endangered species and other wildlife protection through its broad-based educational efforts. The group promotes campaigns against wild horse round-ups and the wild bird trade, the horse-drawn carriage trade, the fur trade, hunting and predator control, including animal-killing contests. FoA's Wildlife Law Program fills a niche between animal and environmental activism, using the law to ensure the right of all wildlife to live in an ecosystem free from human manipulation, exploitation or abuse. FoA's successful lawsuits and interventions also expose the mistreatment of wildlife and help local governments and communities learn how to eliminate perceived conflicts with animals.

FoA sponsors chimpanzee conservation projects in West Africa, and funds the protection and recovery of an endangered African antelope species. FoA also assists with funding and in 2007, took over the management of Primarily Primates sanctuary in San Antonio, Texas. The approximately 300 animals and birds who reside at this 78-acre sanctuary were released from animal labs, zoos, the exotic pet trade and entertainment industry.

Its vegan advocacy educational projects explain that a plant-based diet is the best response to an ecological crisis and the only way to end the unspeakable misery that comes from turning animals into consumer goods.

From its beginning, FoA has taken a leadership role providing low-cost spaying and neutering of dogs and cats nationwide. FoA operates a breeding control program in the United States, facilitating more than 2.7 million spay/neuter procedures since inception. Vouchers can be purchased from FoA that can be used for a routine spay or neuter surgery at a participating veterinarian. The balance of FoA's support and revenues predominantly consists of contributions, bequests and grants.

FoA publishes a quarterly publication, ActionLine, and offers free subscriptions with memberships. Through ActionLine, mailings and action alerts, FoA informs its members and supporters about how to end the worldwide exploitation of animals and contains "calls to action" to get readers to take action in support of various causes and programs.

Basis of presentation
The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to two classes of net assets described as follows:

Net assets without donor restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.
Net assets with donor restrictions - Net assets subject to donor (or certain grantor) imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Income taxes
The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal or state income taxes in the accompanying financial statements.

The Organization has no unrecognized tax benefits at April 30, 2019 and 2018. The Organization's federal and state information returns prior to fiscal year 2016 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization were to have unrelated business income taxes, the Organization would recognize interest and penalties associated with uncertain tax positions as part of income tax expense and include accrued interest and penalties with the related tax liability in the statements of financial position.

Cash and cash equivalents
FoA considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. There were no cash equivalents as of April 30, 2019 and 2018.

Contributions and grants
Contributions received are recorded as without donor restriction or with donor restriction, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restriction are reclassified to net assets without donor restriction and are reported in the statements of activities as net assets released from restrictions. The Organization does have several conditional promises to give. However, as of April 30, 2019 and 2018, the amounts of the promises to give are not estimable and are conditioned on certain future events occurring.

Grants are recorded as receivables in the year the commitment is made by the grantor and are deemed to be earned and reported as revenue when the Organization has expended the funds which meet the specific grant restrictions. Unexpended amounts are classified as net assets with donor restrictions in the accompanying financial statements.

Investments
Investments in money market, mutual funds and equities are valued at their fair values. Net realized and unrealized gains or loss on investments are included in investment income or loss.
Property and equipment
The Organization capitalizes all expenditures for equipment in excess of $2,000 and having a useful life of three years or greater. Purchased equipment is recorded at cost. Donated equipment is recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated lives for financial reporting purposes are 5 - 10 years for equipment and other. Construction in progress expenditures will be capitalized and depreciated at the completion of projects.

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of activities.

The Organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Organization reports expirations of donor restrictions of acquired long-lived assets when placed in service.

Donated services
Donated services are recorded at their estimated values at the date of receipt.

Spay and neuter vouchers
Spay and neuter voucher revenue is recognized as revenue when the voucher is redeemed. The liability for unredeemed spay and neuter vouchers represents FoA's estimate of spay and neuter vouchers sold prior to the end of the year, but not yet redeemed by veterinarians.

Vested interest in trusts
FoA is the beneficiary of perpetual irrevocable trusts held and administered by independent trustees. Under the terms of the trusts, FoA has the irrevocable right to receive the income earned on the trust assets in perpetuity. The fair value of the beneficial interest in the trust is recognized as an asset and as a contribution with donor restriction at the date the trust is established. FoA's estimate of fair value is based on fair value information received from the trustees. The trust assets consist of, but are not limited to, cash and cash equivalents, corporate and government bonds, mutual funds and equity securities. These assets are not subject to the control or direction by FoA. Gains and losses, which are not distributed by the trusts, are reflected as change in value of trusts in the statements of activities. Vested interest in trusts as of April 30, 2019 and 2018 are $3,564,388 and $3,331,102, respectively. Net assets with donor restrictions – in perpetuity relate to the vested interests in trusts.

Qualified retirement plan
FoA sponsors an employee profit sharing plan, which is qualified under Sections 401(a) and 501(a) of the Internal Revenue Code and covers substantially all full-time employees of the Organization. FoA did not make any contributions for the years ended April 30, 2019 and 2018.

Merchandise inventory
Merchandise inventory consists of various promotional merchandise and is stated at the lower of cost or market and is determined using the first-in, first-out method.

Advertising costs
Advertising costs are expensed as incurred.
Functional allocation of expenses
Expenses are charged to animal care, public information, fundraising and general and administrative based on a combination of specific identification and allocations made by management. Expenses that are attributed to multiple functions are allocated using a reasonable allocation method that is consistently applied. Salaries and related costs are allocated based on staff functions.

Use of estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New accounting pronouncement
During 2018, the Organization adopted the provisions of Financial Accounting Standards Board Accounting Standards Update ("ASU") 2016-14 Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The provisions improve the usefulness and reduce the complexities of information provided to donors, grantors, creditors, and other users of the financial statements by eliminating the distinction between resources with permanent restrictions and those with temporary restrictions from the face of the financial statements. Enhanced disclosures in the notes to the financial statements will provide useful information about the nature, amounts and effects of the various types of donor-imposed restrictions, which often include limits on the purposes for which resources can be used as well the time frame for their use. The guidance also enhances disclosures for board-designated amounts, composition of net assets without donor restrictions, liquidity and expenses by both their nature and functional classification. While the adoption of ASU 2016-14 requires net assets to be presented with and without donor restrictions, the ASU had no effect on the Organization's total net assets.

Subsequent events
The Organization has evaluated events and transactions for potential recognition or disclosure through September 10, 2019 which is the date the financial statements were available to be issued.

Note 2 - Concentrations
The Organization maintains its cash with high-credit quality financial institutions. At various times during the year, cash held at the Organization's banking institutions may exceed the federally insured limits. As of April 30, 2019, no amounts exceeded the federally insured limits.

The Organization invests in various debt and equity securities. These investment securities are recorded at fair value. Accordingly, the investment securities can fluctuate because of interest rates, reinvestment, credit and other risks depending on the nature of the specific investment. Therefore, it is at least reasonably possible that these factors will result in changes in the value of FoA's investments, which could materially affect amounts reported in the financial statements.
Note 3 - Liquidity

The Organization regularly monitors liquidity required to meet its annual operating needs and other contractual commitments. As of April 30, 2019, the Organization has financial assets available to meet annual operating needs for the 2020 fiscal year as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$68,454</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>1,622,140</td>
<td></td>
</tr>
<tr>
<td>Bequests receivable, net</td>
<td>614,635</td>
<td></td>
</tr>
<tr>
<td>Contributions and grants receivable, net</td>
<td>106,919</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,412,148</strong></td>
<td><strong>$2,429,953</strong></td>
</tr>
</tbody>
</table>

As part of the Organization's liquidity management, the Organization keeps its financial assets available as its general expenditures, liabilities, and other obligations come due.

Note 4 - Investments

Investments at April 30, 2019 and 2018 consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$647,141</td>
<td>$584,793</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>377,027</td>
<td>716,105</td>
</tr>
</tbody>
</table>

Equities

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign</td>
<td>181,116</td>
<td>413,739</td>
</tr>
<tr>
<td>Basic materials</td>
<td>13,151</td>
<td>-</td>
</tr>
<tr>
<td>Communications</td>
<td>18,979</td>
<td>24,229</td>
</tr>
<tr>
<td>Consumer</td>
<td>78,729</td>
<td>153,699</td>
</tr>
<tr>
<td>Energy</td>
<td>22,679</td>
<td>41,871</td>
</tr>
<tr>
<td>Financial services</td>
<td>85,976</td>
<td>147,399</td>
</tr>
<tr>
<td>Healthcare</td>
<td>29,273</td>
<td>45,120</td>
</tr>
<tr>
<td>Industrial</td>
<td>47,636</td>
<td>79,228</td>
</tr>
<tr>
<td>Real estate</td>
<td>-</td>
<td>16,872</td>
</tr>
<tr>
<td>Technology</td>
<td>105,063</td>
<td>182,382</td>
</tr>
<tr>
<td>Utilities</td>
<td>15,370</td>
<td>24,516</td>
</tr>
</tbody>
</table>

| Total           | **$1,622,140**| **$2,429,953**|
The following summarizes investment income for the years ended April 30, 2019 and 2018:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$35,977</td>
<td>$40,406</td>
</tr>
<tr>
<td>Unrealized gain on investments</td>
<td>34,745</td>
<td>142,416</td>
</tr>
<tr>
<td>Realized loss on investments</td>
<td>(1,444)</td>
<td>(136)</td>
</tr>
<tr>
<td>Investment fees</td>
<td>(13,598)</td>
<td>(33,827)</td>
</tr>
<tr>
<td><strong>Total investment income, net</strong></td>
<td>$55,680</td>
<td>$148,859</td>
</tr>
</tbody>
</table>

**Note 5 - Vested interest in trusts**

FoA is the beneficiary under multiple perpetual trust agreements. The assets of the trusts are included in the statements of financial position at fair value. The income distributed from the trusts in fiscal years 2019 and 2018 was $230,460 and $61,865, respectively. Income distributed from the trusts is recorded in bequests in the statements of activities. FoA's interest in these trusts is recorded at fair value in the statements of financial position. The value at April 30, 2019 and 2018 was $3,564,388 and $3,331,102, respectively.

**Note 6 - Fair value measurements**

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, which are described below:

- **Level 1:** Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.

- **Level 2:** Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

- **Level 3:** Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The asset's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. There have been no changes in the methodologies used during 2019 and 2018.

FoA's policy is to recognize transfers in and out of various levels as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers during the years ended April 30, 2019 and 2018.
Investments in securities designated as level 1 that are listed on a national securities exchange are valued at the last sales price on the valuation date. The fair value of money market designated as level 2 are estimated using third party quotations.

Vested interest in trusts are designated as level 3 instruments primarily because FoA receives periodic payments from the trusts based on the present value of expected cash flows to be received from the trusts. The fair value of the Organization's share of the trusts is based on the values of the underlying investments in the trusts, which are established by the trustees using market values for identical assets in an active market for similar assets. The trustees provide FoA with investment statements and valuations of its portion of the trusts at year-end. These are evaluated annually by the Organization.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although FoA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Financial assets carried at fair value at April 30, 2019 and 2018 are classified in the tables below in one of the three categories described above:

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money market</td>
<td>$</td>
<td>$ 647,141</td>
<td>$</td>
<td>$ 647,141</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>377,027</td>
<td>-</td>
<td>-</td>
<td>377,027</td>
</tr>
<tr>
<td>Equities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>181,116</td>
<td>-</td>
<td>-</td>
<td>181,116</td>
</tr>
<tr>
<td>Basic materials</td>
<td>13,151</td>
<td>-</td>
<td>-</td>
<td>13,151</td>
</tr>
<tr>
<td>Communications</td>
<td>18,979</td>
<td>-</td>
<td>-</td>
<td>18,979</td>
</tr>
<tr>
<td>Consumer</td>
<td>78,729</td>
<td>-</td>
<td>-</td>
<td>78,729</td>
</tr>
<tr>
<td>Energy</td>
<td>22,679</td>
<td>-</td>
<td>-</td>
<td>22,679</td>
</tr>
<tr>
<td>Financial services</td>
<td>85,976</td>
<td>-</td>
<td>-</td>
<td>85,976</td>
</tr>
<tr>
<td>Healthcare</td>
<td>29,273</td>
<td>-</td>
<td>-</td>
<td>29,273</td>
</tr>
<tr>
<td>Industrial</td>
<td>47,636</td>
<td>-</td>
<td>-</td>
<td>47,636</td>
</tr>
<tr>
<td>Real estate</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Technology</td>
<td>105,063</td>
<td>-</td>
<td>-</td>
<td>105,063</td>
</tr>
<tr>
<td>Utilities</td>
<td>15,370</td>
<td>-</td>
<td>-</td>
<td>15,370</td>
</tr>
<tr>
<td>Vested interest in trusts</td>
<td>-</td>
<td>-</td>
<td>3,564,388</td>
<td>3,564,388</td>
</tr>
<tr>
<td></td>
<td>$ 974,999</td>
<td>$ 647,141</td>
<td>$ 3,564,388</td>
<td>$ 5,186,528</td>
</tr>
</tbody>
</table>
The following tables set forth changes in assets measured at fair value using level 3 inputs for the years ended April 30, 2019 and 2018:

### Vested interest in trusts

<table>
<thead>
<tr>
<th></th>
<th>Balance, April 30, 2018</th>
<th>Unrealized appreciation</th>
<th>Contributions</th>
<th>Distributions</th>
<th>Balance, April 30, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested interest in trusts</td>
<td>$ 3,331,102</td>
<td>$ 323,754</td>
<td>$ 139,992</td>
<td>$ (230,460)</td>
<td>$ 3,564,388</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,331,102</td>
<td>$ 323,754</td>
<td>$ 139,992</td>
<td>$ (230,460)</td>
<td>$ 3,564,388</td>
</tr>
</tbody>
</table>

### Charitable remainder trusts

<table>
<thead>
<tr>
<th></th>
<th>Balance, April 30, 2017</th>
<th>Unrealized appreciation (depreciation)</th>
<th>Contributions</th>
<th>Distributions</th>
<th>Balance, April 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested interest in trusts</td>
<td>$ 3,095,527</td>
<td>$ 297,440</td>
<td>$ -</td>
<td>$ (61,865)</td>
<td>$ 3,331,102</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,274,583</td>
<td>$ 296,686</td>
<td>$ -</td>
<td>$ (240,167)</td>
<td>$ 3,331,102</td>
</tr>
</tbody>
</table>

The following table represents FoA's level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs:

<table>
<thead>
<tr>
<th>Instrument</th>
<th>2019 Fair value</th>
<th>2018 Fair value</th>
<th>Principal valuation technique</th>
<th>Unobservable inputs</th>
<th>Significant input values</th>
<th>Weighted average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested interest in trusts</td>
<td>$ 3,564,388</td>
<td>$ 3,331,102</td>
<td>(A)</td>
<td>Base price</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Charitable remainder trusts</td>
<td>-</td>
<td>-</td>
<td>(A)</td>
<td>Base price</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

(A) - Valuation of underlying assets as provided by issuer.
The amount of total gains or losses for the fiscal years ended April 30, 2019 and 2018 attributable to the change in the unrealized gains or losses relating to assets still held at the reporting date were included in change in net assets in investment income in the statements of activities. For the years ended April 30, 2019 and 2018, FoA recognized an unrealized gain of $323,754 and $297,440, respectively.

Note 7 - Bequests, contributions and grants receivable

FoA has bequests receivable totaling $614,635 and $579,664 as of April 30, 2019 and 2018, respectively. Management records bequests at estimated net realizable amounts and periodically reviews bequests receivable for uncollectible amounts. The allowance for uncollectible bequests as of April 30, 2019 and 2018 was $13,500 and $33,000, respectively. Total balance of bequests receivable is due within the next fiscal year for both years ended April 30, 2019 and 2018.

FoA has contributions receivable totaling $28,319 and $32,588 as of April 30, 2019 and 2018, respectively. As of April 30, 2019 and 2018, there was an allowance for uncollectible amounts relating to contributions receivable of $21,400 and $20,700, respectively. Total balance of contributions receivable is due within the next fiscal year for both years ended April 30, 2019 and 2018.

FoA has grants receivable totaling $100,000 and $0 as of April 30, 2019 and 2018, respectively. The balance is deemed fully collectible and no allowance for uncollectible amounts was recorded as of April 30, 2019 and 2018.

Note 8 - Net assets with donor restrictions- time/purpose

Net assets with donor restrictions- time/purpose as of April 30, 2019 and 2018 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time restricted</td>
<td>$100,000</td>
<td>$66,667</td>
</tr>
<tr>
<td>Lobbying</td>
<td>$ -</td>
<td>$10,198</td>
</tr>
<tr>
<td>Wildlife Law Program</td>
<td>$320,997</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$420,997</strong></td>
<td><strong>$76,865</strong></td>
</tr>
</tbody>
</table>

Note 9 - Net assets with donor restrictions- in perpetuity

Net assets with donor restrictions- in perpetuity as of April 30, 2019 and 2018 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vested interest in trusts</td>
<td>$3,564,388</td>
<td>$3,331,102</td>
</tr>
</tbody>
</table>
Note 10 - Spay and neuter vouchers

Spay and neuter vouchers issued are shown net of refunds and discounts on the statements of activities. For the years ended April 30, 2019 and 2018, spay and neuter vouchers are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spay and neuter revenue</td>
<td>$1,561,415</td>
<td>$1,579,596</td>
</tr>
<tr>
<td>Refunds</td>
<td>(39,157)</td>
<td>(37,292)</td>
</tr>
<tr>
<td>Discounts</td>
<td>(26,237)</td>
<td>(30,475)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,496,021</strong></td>
<td><strong>$1,511,829</strong></td>
</tr>
</tbody>
</table>

Note 11 - Lease commitments

The Organization leases facilities for its main headquarters in Darien, Connecticut under a 60-month lease, which expires April 30, 2020. Under the terms of the lease, the payments escalate each year.

The Organization also leases two additional facilities in New York, New York and Centennial, Colorado under noncancelable operating leases. The New York, New York lease expired in February 2019 while the Centennial, Colorado lease expires January 2020. Under the terms of both leases, the payments escalate each year.

Rent expense for all locations amounted to $245,443 and $259,859 for the years ended April 30, 2019 and 2018, respectively.

Future minimum rent lease payments due under noncancelable real estate operating leases in the year subsequent to April 30, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$143,725</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$143,725</strong></td>
</tr>
</tbody>
</table>

The Organization leases office equipment and is responsible for the maintenance and insurance costs. Equipment lease expense for the years ended April 30, 2019 and 2018 was $18,170 and $17,907, respectively. Leases expire through September 2022.

Future minimum lease payments due under noncancelable equipment operating leases in each of the years subsequent to April 30, 2019 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$9,571</td>
</tr>
<tr>
<td>2021</td>
<td>9,372</td>
</tr>
<tr>
<td>2022</td>
<td>9,372</td>
</tr>
<tr>
<td>2023</td>
<td>2,733</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$31,048</strong></td>
</tr>
</tbody>
</table>
Note 12 - Related party

FoA has supported Primarily Primates, Inc. ("PPI"). PPI is a 78-acre sanctuary in Texas that houses chimpanzees, monkeys and other animals that have been used in experiments, entertainment or traded as pets, and have been subsequently cast off and are in need of permanent shelter. FoA shares common (although not majority) board members with PPI. Total financial support provided to PPI for the years ended April 30, 2019 and 2018 was $764,707 and $846,748, respectively. Included in this amount was $134,483 and $123,328 of donated administrative support during the years ended April 30, 2019 and 2018, respectively. A portion of the support is from funds raised on behalf of PPI.

The Organization supports a wild horse project in which wild horses were rescued and are being kept and cared for on the PPI property. PPI cares for the animals and the Organization reimburses PPI for all expenses incurred relating to this project. During years ended April 30, 2019 and 2018, the Organization reimbursed PPI for expenses of $7,755 and $3,818, respectively.

Note 13 - Donations in-kind

During 2019 and 2018, FoA received donated advertising. The total value of the donated advertising recorded in the statements of activities was $55,949 and $86,027 for the years ended April 30, 2019 and 2018, respectively.
Note 14 - Restatement

The Organization restated its 2018 financial statements during the current year to correct misstatements identified in the previously issued financial statements. Prior period adjustments were recorded to correct the vested interest in trusts and associated change in value. The effect of the restatement is as follows:

<table>
<thead>
<tr>
<th>Without donor restriction</th>
<th>With donor restriction - time and purpose</th>
<th>With donor restriction - in perpetuity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at April 30, 2017 before restatement</td>
<td>$3,873,891</td>
<td>$383,417</td>
<td>$2,666,291</td>
</tr>
<tr>
<td>Record additional vested interest in trust</td>
<td>-</td>
<td>-</td>
<td>429,236</td>
</tr>
<tr>
<td>Net assets at April 30, 2017 after restatement</td>
<td>3,873,891</td>
<td>383,417</td>
<td>3,095,527</td>
</tr>
<tr>
<td>Change in net assets, as originally reported</td>
<td>(1,141,383)</td>
<td>(306,552)</td>
<td>234,033</td>
</tr>
<tr>
<td>Record change in value of additional vested trust</td>
<td>-</td>
<td>-</td>
<td>1,542</td>
</tr>
<tr>
<td>Net assets at April 30, 2018 after restatement</td>
<td>$2,732,508</td>
<td>$76,865</td>
<td>$3,331,102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Before restatement</th>
<th>Restatement</th>
<th>Record change in value</th>
<th>After restatement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets at April 30, 2018</td>
<td>$6,281,244</td>
<td>$429,236</td>
<td>$1,542</td>
</tr>
<tr>
<td>Total liabilities at April 30, 2018</td>
<td>$571,547</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total net assets at April 30, 2018</td>
<td>$5,709,697</td>
<td>$429,236</td>
<td>$1,542</td>
</tr>
</tbody>
</table>
Supplementary Information
### Friends of Animals, Inc.

**Expenses for Program Services - Public Information and Animal Protection Costs**

**Year Ended April 30, 2019**

*(With Comparative Totals for 2018)*

<table>
<thead>
<tr>
<th>Item</th>
<th>Wildlife</th>
<th>International</th>
<th>Public Information</th>
<th>2019</th>
<th>Total</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$493,130</td>
<td>$ (99)</td>
<td>$719,026</td>
<td>$1,212,057</td>
<td>$1,002,795</td>
<td></td>
</tr>
<tr>
<td>Primarily Primates, Inc. project</td>
<td>764,707</td>
<td>-</td>
<td>-</td>
<td>764,707</td>
<td>846,748</td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>29,331</td>
<td>-</td>
<td>48,111</td>
<td>77,442</td>
<td>96,528</td>
<td></td>
</tr>
<tr>
<td>Rent and utilities</td>
<td>40,141</td>
<td>-</td>
<td>158,460</td>
<td>198,601</td>
<td>214,990</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>86,956</td>
<td>-</td>
<td>124,220</td>
<td>211,176</td>
<td>168,111</td>
<td></td>
</tr>
<tr>
<td>Printing and mailing lists</td>
<td>78,396</td>
<td>-</td>
<td>14</td>
<td>78,410</td>
<td>104,096</td>
<td></td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>2,627</td>
<td>-</td>
<td>58,686</td>
<td>61,313</td>
<td>73,917</td>
<td></td>
</tr>
<tr>
<td>Professional services</td>
<td>49,790</td>
<td>-</td>
<td>-</td>
<td>49,790</td>
<td>13,227</td>
<td></td>
</tr>
<tr>
<td>Payroll and other taxes</td>
<td>35,011</td>
<td>(2)</td>
<td>57,588</td>
<td>92,597</td>
<td>83,138</td>
<td></td>
</tr>
<tr>
<td>African project costs</td>
<td>-</td>
<td>69,996</td>
<td>-</td>
<td>69,996</td>
<td>69,996</td>
<td></td>
</tr>
<tr>
<td>Bank service charges</td>
<td>-</td>
<td>759</td>
<td>-</td>
<td>759</td>
<td>1,341</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>25,956</td>
<td>-</td>
<td>20,434</td>
<td>46,390</td>
<td>60,484</td>
<td></td>
</tr>
<tr>
<td>Computer supplies</td>
<td>2,261</td>
<td>-</td>
<td>7,174</td>
<td>9,435</td>
<td>10,108</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>13,619</td>
<td>-</td>
<td>18,860</td>
<td>32,479</td>
<td>40,533</td>
<td></td>
</tr>
<tr>
<td>Registrations and fees</td>
<td>8,661</td>
<td>-</td>
<td>2,210</td>
<td>10,871</td>
<td>16,861</td>
<td></td>
</tr>
<tr>
<td>Lobbying</td>
<td>26,564</td>
<td>-</td>
<td>-</td>
<td>26,564</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>4,598</td>
<td>-</td>
<td>11,258</td>
<td>15,856</td>
<td>17,793</td>
<td></td>
</tr>
<tr>
<td>Office equipment rental</td>
<td>3,242</td>
<td>-</td>
<td>8,841</td>
<td>12,083</td>
<td>11,424</td>
<td></td>
</tr>
<tr>
<td>Wild horse project</td>
<td>7,755</td>
<td>-</td>
<td>-</td>
<td>7,755</td>
<td>3,818</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>25</td>
<td>-</td>
<td>80</td>
<td>105</td>
<td>377</td>
<td></td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>9,200</td>
<td>-</td>
<td>7,159</td>
<td>16,359</td>
<td>14,034</td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td>549</td>
<td>-</td>
<td>4,318</td>
<td>4,867</td>
<td>4,108</td>
<td></td>
</tr>
<tr>
<td>Office supplies and expense</td>
<td>2,796</td>
<td>-</td>
<td>4,072</td>
<td>6,868</td>
<td>10,082</td>
<td></td>
</tr>
<tr>
<td>Awards and grants</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Data processing</td>
<td>2,087</td>
<td>-</td>
<td>1,925</td>
<td>4,012</td>
<td>4,374</td>
<td></td>
</tr>
<tr>
<td>Films and photography</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>14</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,687,402</td>
<td>$69,895</td>
<td>$1,253,209</td>
<td>$3,010,506</td>
<td>$2,894,048</td>
<td></td>
</tr>
</tbody>
</table>

See Independent Auditor's Report.